



THE CALIFORNIA PARTNERSHIP FOR LONG-TERM CARE

*Preserve Your Independence &
Secure Lifetime Asset Protection*

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A PROGRAM OF THE CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES

“Nearly half
of people
over age 65
will have at
least one stay in
a nursing home.”



New England Journal of Medicine (Feb. 28, 1991)

Thank you for requesting information on the State of California's Partnership for Long-Term Care program. We've created this booklet to provide an overview of the Partnership program and to answer the most frequently asked questions.

The State of California and the California Partnership for Long-Term Care do not sell long-term care insurance policies. We have included in this book, however, a list of the private insurance companies that are approved to sell Partnership policies in California.

If you *don't have* long-term care insurance for yourself, your spouse, or your loved ones, we urge you to meet with a qualified agent who can more completely describe Partnership-certified policies and discuss which policy could best meet your needs.

Only a Partnership-certified policy can provide the care you may need with *lifetime asset protection*, so you will not be forced to spend everything you have worked for on long-term care. A policy can truly provide the *independence you want...just when you need it most*.

Brenda Bufford, Chief
California Partnership for Long-Term Care

Take the next step today...

For more details on Partnership policies and premium costs, contact any of the following companies at:



Bankers Life and Casualty
(888) 2828-BLC

Genworth Financial
(888) 436-9678

John Hancock Life Insurance Company
(800) 377-7311

MetLife
(888) 4CA-PLAN

New York Life Insurance
(800) 224-4582

CalPERS Long-Term Care Program*
(800) 205-2020

*All California public employees, retirees and their spouses, siblings (age 18 and older), parents and parents-in-law are eligible to apply. Call CalPERS for open enrollment period dates.

The California Department of Aging's Health Insurance Counseling and Advocacy Program (HICAP) has trained, impartial volunteer counselors available to meet with you to discuss your long-term care needs and answer any questions you may have. You can reach HICAP at (800) 434-0222. Appointments and consultations are free of charge.

The California Partnership for Long-Term Care is endorsed by the following organizations:

- California Medical Association
- California Commission on Aging
- California Retired Public Employees' Association
- California State Employees' Association
- California Association for Adult Day Services
- California State University-Emeritus Retired Faculty Association
- California Association for Health Services at Home
- California Association of Homes and Services for the Aging
- California Association of Residential Care Homes
- California Pharmacists Association's Long Term Care Management Council
- Community Residential Care Association of California
- Mt. Zion Institute on Aging
- Senior Care Network/Huntington Memorial Hospital
- California Association of Area Agencies on Aging



WHAT EXACTLY IS LONG-TERM CARE?

Long-term care is different from the rest of your health care, and is typically not covered under health insurance policies, HMO's, Medicare, or Medicare supplemental policies. Health care plans are designed to provide coverage when you receive care from a doctor or treatment in a hospital.

Long-term care is personal care, such as help with bathing, eating, or dressing that you require over a lengthy period of time. That is why long-term care can be very expensive. Long-term care can range from simple assistance with activities in your own home or in a residential care facility or it can mean highly skilled care in a nursing home.

The possibility of needing long-term care due to an illness or physical disability is something most people would rather not think about. But as we get older and because we are living longer, the likelihood that we will need some kind of assistance is very real. Long-term care coverage will help you live your life with dignity and with independence.

In 2010, nursing home care in California averages about \$230 a day or about \$83,950 a year.*

**Source: California Office of Statewide Health Planning and Development and the California Partnership for Long-Term Care*



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WHAT EVERY CALIFORNIAN NEEDS TO KNOW

If you require long-term care because of a chronic physical condition, such as arthritis or Parkinson's, who will pay for it? Should you need assistance because of a degenerative mental disease, such as Alzheimer's, who will pay for your care? The answer is probably you, unless you act to protect yourself.

As to the actual risk of needing long-term care – Seven out of 10 people over age 65 will require long-term care at some point in their lives.¹

Nursing home costs in California average about \$230 a day in 2010. Of those who enter a nursing home, 44 percent will stay at least one year and 12 percent will remain longer than five years.² Care in your own home can be more costly than care in a nursing home.

Paying for long-term care, either for yourself or a loved one, can mean sacrificing a lifetime of savings or losing your financial independence, unless you plan ahead.



¹U.S. Department of Health and Human Services, 2009

²A Long-Term Solution to a Medicaid Problem, National Center for Policy Analysis, November 17, 1995).

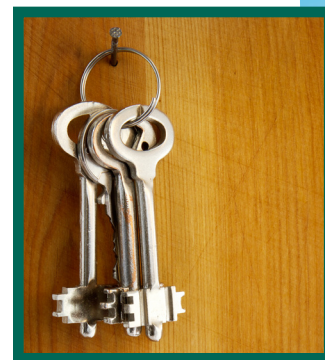
\$2,000* for a one year policy that will pay \$160 a day in a nursing home or residential care facility or \$4,800 a month at home and protect \$58,400 in assets.

**Premium range for CA Partnership policies*

Each insurance company offering Partnership policies has its own premium rates. The younger you are when you purchase, however, the less expensive your annual premium. This is a good reason to buy now, rather than waiting for later.

HOW DO I GET PARTNERSHIP COVERAGE?

Partnership long-term care insurance policies may only be sold by select insurance companies who offer policies that meet the special standards established by the State. The names and toll free telephone numbers of these approved participants are listed on page II.



Partnership long-term care insurance policies are only marketed by licensed insurance professionals who have completed the special training required by the State of California.

A Partnership policy, with its unique lifetime asset protection feature ensures that you will not be forced to spend everything you have worked for on your long-term care.

WHAT DOES A PARTNERSHIP POLICY COST?

Partnership policies cost approximately the same as other policies that offer similar coverage. But Partnership policies include lifetime asset protection against the high cost of long-term care and provide access to Medi-Cal services should you ever need them - a significant benefit at no additional cost.

With the Partnership's asset protection feature, you do not have to worry about running out of insurance benefits and spending the savings that you had hoped to protect paying for your ongoing care needs. With the asset protection feature, middle income Californians can purchase policies with coverage equal to the amount of assets they want to protect - starting at \$58,400, up to their total assets - with the assurance that these assets are protected for life, no matter how extended or expensive their long-term care needs may be. Without a Partnership policy, the only way to achieve lifetime asset protection is to purchase lifetime insurance coverage...something most people cannot afford. This added protection and peace of mind only come with the purchase of a Partnership policy.

If you are 60, you can expect to pay an annual premium between \$1,500 and



CALIFORNIANS HAVE AN AFFORDABLE ALTERNATIVE TO PAY FOR THIS CARE

The California Partnership for Long-Term Care is an innovative program of the State of California, in cooperation with a select number of private insurance companies. These insurers have agreed to offer high quality policies that meet stringent standards set by the Partnership and the State of California. These special policies are commonly called "Partnership Policies."

TYPES OF PARTNERSHIP POLICIES

Two types of Partnership policies are available: 1) a Facility Only policy that covers care in a facility (residential care facility or nursing home); or 2) a Comprehensive policy that covers care in a facility and/or care received at home or in the community.

You choose the type of policy and the amount of coverage you want. Policies offer coverage from one year to lifetime.

THE PARTNERSHIP HAS TAKEN THE GUESSWORK OUT OF SELECTING A HIGH QUALITY POLICY

To be assured you are selecting a high quality policy, all Partnership policies



include:

- Automatic inflation protection to ensure that your benefits keep pace with the rising cost of care;
- A deductible that must be met only once;
- Waiver of premiums while you receive care in a facility; and
- Care coordination to assist you in planning and securing the services you want and need.

THE CALIFORNIA PARTNERSHIP FOR LONG-TERM CARE: AN AFFORDABLE ALTERNATIVE FOR CALIFORNIANS

WHAT MAKES A PARTNERSHIP POLICY UNIQUE?

First and foremost, a Partnership long-term care insurance policy will:

- Protect your independence by ensuring that you are covered for your long-term care expenses; and
- Maintain your dignity by assuring you will not have to depend on others for your care needs.

But, a Partnership policy does something more, something unique. A Partnership policy contains “Lifetime Asset Protection.” This feature assures that catastrophic long-term care expenses will not reduce you to poverty even if you run out of insurance benefits. That’s something non-Partnership long-term care insurance policies cannot offer.

Here’s how this special feature works. When you need care:

- Your Partnership-certified private long-term care insurance policy pays for your care in the same way other high quality long-term care policies would;
- Unlike a traditional policy, each dollar your Partnership policy pays out in benefits entitles you to keep a dollar of your assets if you ever need to apply for Medi-Cal.

For many people, the benefits of their

private Partnership insurance policy will provide all of the care they will ever need. But, because of the unique asset protection feature, you won’t have to impoverish yourself if you run out of insurance benefits and still need care.

You can apply to Medi-Cal for assistance to help pay the cost of your continued care and not have to spend all of your hard earned savings down to the poverty level. Each dollar your Partnership policy pays in benefits protects a dollar of your assets from Medi-Cal’s “spend down” rules.* You may have to apply most of your income toward the cost of your care before Medi-Cal will pay, but the assets you protected by purchasing a Partnership policy remain yours - for you, your spouse, or to leave to your loved ones.

**Please check with your local County Office of Health or Human Services for complete details on Medi-cal spend down and estate recovery exemptions.*

